

Good morning. My name is Marie Lenane. I am the Policy Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 416.00: Rates for Clubhouse Services, which will amend rates purchased by the Department of Mental Health (DMH).

Massachusetts General Laws, Chapter 118E, Section 13D requires the Secretary of the Executive Office of Health and Human Services to establish rates of payment by regulation for social service programs. The effective date for the proposed amendments to the regulation is January 1, 2022.

The rates for clubhouse services are being updated to include an increase by a cost adjustment factor (CAF) of 1.06%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Spring 2021 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (calendar year 2021 Q4) and the prospective period of calendar years 2022 and 2023. The rates for DMH's clubhouse services have been updated to incorporate an employer and employee contribution required by the Massachusetts paid family and medical leave law. As part of the workforce initiative, all staff salaries have been benchmarked to the Massachusetts Bureau of Labor Statistics (BLS) median wages as dated May 2020. The direct care staff title

and salary have been retitled to direct care III positions to promote flexibility in the position. The tax and fringe rate has been benchmarked to 22.40% and the administrative allocation has been benchmarked to 12%. Finally, the separate workforce initiative rate has been removed from the regulation because the workforce initiative goal of the rate review has been met with the incorporation of BLS benchmarking into the rates.

The total annualized cost to state government from the increase in rates amended by this regulation is \$379,024 which represents an increase of approximately 2% over FY20 rate spending of approximately \$23.4 million.

This concludes my testimony. Thank you.